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16 November 1949

MEMORANDUM FOR: CHIEF, LIAISON DIVISION, OCD
FROM: Acting Chief, Non-IAC, Navy Desk, LD/OCD
SUBJECT: CIA Contacts in Office of International Trade,
Department of Commerce

1. On 13 September 1949 [redacted] of 25X1
OSI discussed with this Desk the establishment of a continuing contact
relationship for Mr. [redacted] with Mr. Harrison Lillybridge and Mr. Frederick
W. Olmstead, Chairman and Deputy Chairman, respectively, of the Board of
Appeals for Export Licensing, Office of International Trade. It was ex-
plained that this Board considered matters of interest to OSI as well as
matters of concern to the rest of the Agency. It was pointed out that
Mr. [redacted] is a personal friend of long standing of Mr. Olmstead and that,
aside from the purely OSI interest, by virtue of such friendship, Mr.
[redacted] could obtain general information for the Agency believed not other-
wise obtainable, which he would pass to OCD for appropriate dissemination.
It was understood that Mr. [redacted] subsequently was to introduce the undersigned to [redacted]
then would be relieved of obtaining
general information.

2. This Division, by memo dated 13 September 1949, requested I&S to
advise as to the security aspects of the foregoing. Mr. [redacted] has 25X1
recently related that I&S has no security objections to the above and I&S,
this date, stated that written response to the memo concerned has been
dispatched. It has not yet been received at this Desk. It was agreed by
Mr. [redacted] that he was not to contact the gentlemen concerned until I&S had
responded.

3. In the interim Mr. [redacted] of Economic Branch, ODI, called
the undersigned inquiring as to Mr. [redacted]'s status in OIT, indicating that 25X1
his activities might be in conflict with those of Mr. [redacted] as delineated
in the Director's letter of 30 August 1949 to the Secretary of Commerce. 25X1
(This Desk was not aware of the existence of such a letter prior to the
above.). Mr. [redacted] position per above was explained to Mr. [redacted] 25X1
who stated that any CIA representations in the field of export licensing
was reserved to Mr. [redacted]. Mr. [redacted] has since stated that he has not 25X1
been to OIT. 25X1

4. In seeking to reconcile the above I was informed by Mr. [redacted]
that Mr. [redacted] had prepared a paper for presentation to OIT (ostensibly as
a CIA paper) which was at variance with Mr. [redacted] position. Mr. [redacted] 25X1
[redacted] does not know whether the paper actually was ever presented to OIT. 25X1
I asked Mr. [redacted] to provide me a memo setting forth his thoughts as to
the above conflict. He has informed me (amiably) that he does not feel a
memo is necessary but that if we insist on one it must come through channels.

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Mr. [redacted] advised me, this date, that ORE (Ec) has proposed to the Director an all-CIA Committee in which representatives of all offices can present their views in the export licensing field and thus a single front [redacted] presented to OIT re this field.

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5. The above is submitted for your information.

S/

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